



## Transaction Privilege Tax Changes and News

This publication is an informational notice included with the December 2006 Transaction Privilege Tax Return.

### TOWN OF THATCHER

**Effective December 1<sup>st</sup>, 2006:** On November 14th, 2006 the Mayor and Town Council of the Town of Thatcher passed ordinance number 147-2006. Ordinance 147-2006 increases the Thatcher Town Privilege Tax on Construction contracting; construction contractors, Construction contracting; speculative builders and Construction contracting owner-builders who are not speculative builders from **2% to 3.5%**. The tax on Construction contracting shall be reported using **TC015**.

The increase imposed by this ordinance shall not apply to construction contracts entered into prior to the effective date of the ordinance. Pre-existing contracts should be reported using **TC009** at a rate of **2%**.

### COCONINO COUNTY JAIL TAX INCREASE

**Effective January 1, 2007:** On September 12, 2006 voters approved an increase in the Coconino County Jail Tax. The Jail Tax which is currently levied at .3% (or .003) will now be levied at **.5% (or .005)** for most business classifications. (The Jail Tax is to be applied at 10% of the 5% component of the Transaction Privilege Tax rate levied by the State of Arizona.) The total combined rate for most transactions will be **6.725%**.

[For prime contractors reporting under Class 15 *only*, prime contracting contracts entered into **prior to** the September 12 election may not be subject to the increase in the tax rate under specific conditions approved by the department. Income derived from these contacts may be reported under **Class 110**. For more information, contact the Department's Taxpayer Information & Assistance Section at (602) 255-2060 or (800) 843-7196, or check our web site ([www.azdor.gov](http://www.azdor.gov)).]

### YUMA COUNTY CAPITAL PROJECTS TAX REPEAL

**Effective February 1, 2007:** The Yuma County Capital Projects Tax is scheduled **to end on January 31, 2007**. The Capital Projects Tax is currently levied at .5% (or .005) for most business classifications. (The Capital Projects Tax has been applied at 10% of the 5% component of the Transaction Privilege Tax rate levied by the State of Arizona.) The total combined rate for most transactions **will be 6.7%**.

For more information, contact the Department's Taxpayer Information & Assistance Section at (602) 255-2060 or (800) 843-7196, or check our web site ([www.azdor.gov](http://www.azdor.gov)).

### 911 WIRELESS AND WIRELINE RATE REDUCTION

**Effective July 1, 2007.** The Arizona State Legislature approved a decrease to the 911 Wireless Telecommunications tax (class 036) and the 911 Wireline Telecommunications tax (class 131) pursuant to A.R.S. §42-5252. The new monthly rate will be 20¢ per activated wireless and wireline service effective July 1, 2007. For more information, check our web site ([www.azdor.gov](http://www.azdor.gov)).